

# **Exhibit G**

## **Big names in health care audit released**

By Deborah Baker and Jackie Jadrnak / Journal staff writers on Wed, Jun 26, 2013

### **Some providers say state not forthcoming on alleged problems**

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SANTA FE – Fifteen nonprofits whose payments were suspended after an audit the state Human Services Department said showed widespread mismanagement and possible fraud include some of the biggest New Mexico players in behavioral health.

On the list is TeamBuilders Inc., run by a Santa Fe couple; Presbyterian Medical Services Inc.; and seven southern New Mexico providers that are associated with Rio Grande Behavioral Health Services.

The list was provided by the Human Services Department following a public records request from the **Journal** for the names of the nonprofits whose funding was halted.

Several of the 15 providers, which serve the mentally ill and substance abusers, complained Tuesday that they have not been given information by HSD about their alleged shortcomings.

“We’re at a loss,” said Steven Hansen, chief executive officer of Santa Fe-based Presbyterian Medical Services. “Obviously, we’re not perfect; there’s always room for improvement. But if they think we owe money back, we want to know how much and why.”

He added, “We don’t know what our error rate was. We were not given any details on what we were audited on.”

PMS and TeamBuilders – along with another two of the 15 providers, Hogares Inc. in Albuquerque and Families and Youth Inc. in Las Cruces – were among the top 10 behavioral health providers, in terms of payments to them, on a list the **Journal** obtained in 2011 from HSD. No updated version of that list was available Tuesday.

The others on the list of 15 are Partners in Wellness Inc. in Albuquerque; Youth Development Inc. in Albuquerque; Pathways Inc. in Albuquerque; Easter Seals El Mirador in Santa Fe; Service Organization for Youth Inc. in Raton; and the following nonprofits associated with Rio Grande Behavioral Health Services: Border Area Mental Health, Counseling Associates in Roswell; Southwest Counseling Center; The Counseling Center in Alamogordo; Valencia Counseling Service; and Southern New Mexico Human Development.

The providers get about 80 percent of their funding from Medicaid and the rest from other federal and state funds, according to HSD.

An audit done by a Boston firm for HSD identified more than \$36 million in overpayments to the 15 nonprofits from 2009 to 2012, and HSD turned over the audit results to the New Mexico attorney general's Medicaid fraud unit last week.

Although HSD stopped their funding as of Monday, providers continued to see clients. They can ask HSD for an exemption from the payment freeze, and some have done so.

TeamBuilders, which Shannon and Lorraine Freedle of Santa Fe grew from a tiny operation in Tucumcari to a giant provider of services to more than 3,000 children and families, said its doors will stay open.

"We are absolutely committed to continuing to provide services for all those that rely on us, most of whom live in rural and frontier areas and would not have access to behavioral health services without us," Shannon Freedle said in an email.

He said that TeamBuilders hadn't received individual audit results but that "we have faith in the process and intend to work with the state" to address concerns. He declined to comment on HSD's allegations of widespread mismanagement.

TeamBuilders has over 600 employees and serves 24 counties. As of the 2011 information from HSD, it was being paid more than any other individual behavioral health provider -- nearly \$42.5 million for the period from July 2009 to August 2011.

Roque Garcia, CEO of Southwest Counseling Center in Las Cruces, said he hadn't been given details of any allegations against the nonprofit. Garcia also is CEO of Rio Grande Behavioral Health Services.

"Everyone appears to have been painted with the same brush," he said.

"We're still trying to work through this whole thing. ... Hopefully, we can get this taken care of soon."

HSD Secretary Sidonie Squier said Monday that the agency contracted for the audit after OptumHealth, which oversees the behavioral health system, installed a new software system designed to catch errors and abuse.

Patsy Romero, chief operations officer of Santa Fe-based Easter Seals El Mirador, one of the 15 providers, said she has had personal experience working in oversight of behavioral health organizations and criticized what she said was the lack of audits and supervision under Optum Health.

"How do you manage a system of care if you don't do monitoring?" she said.

"I'm just very, very concerned about the way it all went down," Romero said of the way Human Services handled the audits and their results. "We're being treated like criminals. ... I've been

doing behavioral health in New Mexico for 30 years. ... I would never do anything to jeopardize care. ... It's not in my DNA."

She said there had been no indication from Optum of any concerns about the nonprofit's operation.

"They (HSD officials) said they were so egregious they turned (the audits) over to the Attorney General's Office," she continued. "I'm struggling in the dark trying to figure out, what did we do wrong?"

Romero said the agency, which serves Santa Fe, Rio Arriba, Taos, Colfax and Union counties, has had "a very difficult year," has no available reserves and would have a tough time continuing services.

Romero's operation and PMS asked HSD on Tuesday to restore their funding.

PMS's Hansen said his agency provides a range of medical services beyond the behavioral health services that were the target of the audit and will have all of its Medicaid funds withheld by HSD. "That's around 11 to 15 percent of our cash revenue," he said, adding that PMS has adequate reserves to continue supporting services during this time. "We're telling the staff that our patients come first and we are moving forward with business as usual."

Overall, PMS serves about 60,000 clients a year in 17 counties around New Mexico, 30 percent of whom are reimbursed by Medicaid, he said.